



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0166	Title:	Family and purple heart recipients fish and hunt game birds for free
Primary Sponsor:	Tropila, Joseph (Joe)	Status:	Second Reading

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Expenditures:					
General Fund	\$281,893	\$402,705	\$129,075	\$402,705	\$402,705
State Special Revenue	\$0	\$0	\$0	\$0	\$0
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	(\$273,630)	\$0	\$0
Net Impact-General Fund Balance	(\$281,893)	(\$402,705)	(\$129,075)	(\$402,705)	(\$402,705)

Description of Fiscal Impact:

The general fund will reimburse the department for the cost of free fishing and hunting privileges granted to Montana residents and certain nonresidents who have been awarded the Purple Heart and \$8 for each youth and senior conservation license issued for free. Total cost to the general fund will be \$281,893 in FY 2007, \$402,705 in FY 2008, \$129,075 in FY 2009 and \$402,705 in succeeding fiscal years.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife and Parks (FWP)

1. The bill is effective March 1, 2007 or on passage.

Free Conservation License for Montana Purple Heart Recipients

2. The Military Order of the Purple Heart is in charge of the memorial for Purple Hearts of Montana residents. The president of this order stated that there are about 2,000 living Montanan's who have been awarded the Purple Heart. 30% of these 2,000 would be under the age of 62.
3. Of the 600 Montanans who would be under the age of 62, 75% of them will take advantage of the free fishing and upland game bird hunting privileges in lieu of purchasing fishing and upland bird licenses.

4. The number of non-resident Purple Heart recipients whose hunt will be arranged by a nonprofit organization that uses fishing and hunting as part of the rehabilitation of disabled veterans is assumed to be insignificant.
5. The department's general license account will be reimbursed \$11,475 ($450 \times \18 (fishing license) + $450 \times \$7.50$ (upland game bird license)) annually by the general fund.
6. The general fund will reimburse the general license account during the subsequent quarter for license costs associated with the free fishing and game bird privileges granted during the preceding quarter.
7. FWP estimates that 70% of the free conservation licenses will be issued between March 1st and June 30th and 30% will be issued between July 1st and February 28th.
8. This will result in the following revenue flow from the general fund:
 - a. FY 2007 - \$8,032 (March 1 – June 30 – ($70\% \times \$11,475$))
 - b. FY 2008 - \$11,475
 - c. FY 2009 - \$11,475
 - d. FY 2010 - \$11,475
 - e. FY 2011 - \$11,475

Free Conservation License for Youth and Seniors

9. Youth conservation licenses and senior conservation licenses will be issued to eligible applicants at no cost.
10. During license year (LY) 2005, 8,158 youth conservation licenses (which included the implied privilege of fishing and hunting of game birds, not including turkey) and 34,367 senior conservation licenses (which included the implied privilege of fishing and hunting of game birds, not including turkey) were sold.
11. Due to additional interest created from the free licenses, FWP estimates the number of conservation licenses issued to increase 15%.
12. The Department of Administration will transfer \$8 for each youth and senior conservation license issued for free from the general fund to FWP. ($8,158 + 34,367 = 42,525$) ($42,525 \times 1.15\% \times \$8 = \$391,230$).
13. Section 5 places caps on the amount of funds that can be transferred from the general fund to the general license account in FY 2007, FY 2008, and FY 2009. FWP assumes that there will not be a cap beyond FY 2009 and that the general fund will transfer actual program costs to the general license account.
14. Because the cap as identified in Section 5 for FY 2009 is \$117,600 and the value of the free conservation licenses issued is \$391,230 (see assumption 11), the department will lose \$273,630 in license revenue in FY 2009.
15. FWP estimates that 70% of the free conservation licenses will be issued between March 1st and June 30th and 30% will be issued between July 1st and February 28th.
16. This will result in the following revenue flow from the general fund:
 - a. FY 2007 - \$273,861 (March 1 – June 30 ($\$391,230 \times 70\%$))
 - b. FY 2008 - \$391,230
 - c. FY 2009 - \$117,600
 - d. FY 2010 - \$391,230
 - e. FY 2011 - \$391,230

Fiscal Note Request – Second Reading*(continued)*

	<u>FY 2007 Difference</u>	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>					
FTE	0.00	0.00	0.00	0.00	0.00
<u>Expenditures:</u>					
Transfers	\$281,893	\$402,705	\$129,075	\$402,705	\$402,705
<u>Funding of Expenditures:</u>					
General Fund (01)	\$281,893	\$402,705	\$129,075	\$402,705	\$402,705
<u>Revenues:</u>					
State Special Revenue (02)	\$0	\$0	(\$273,630)	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	(\$281,893)	(\$402,705)	(\$129,075)	(\$402,705)	(\$402,705)
State Special Revenue (02)	\$0	\$0	(\$273,630)	\$0	\$0

Technical Notes:

1. This amended version of SB 166 has removed the termination date. Section 5 assumed that sections 1, 3, and 4 of the bill would terminate February 28, 2009 and limited the amount transferred from the general fund to the general license account to \$117,600 in FY 2009. This could be corrected by eliminating lines 22 and 23.
2. If this bill becomes law after March 1, 2007, there should be a retroactive clause that will allow the department to reimburse all eligible hunters and anglers who have already purchased their fishing and upland game bird hunting licenses.

Sponsor's Initials

Date

Budget Director's Initials

Date